



# **Clean Tennessee Energy Grant Program**

**FY 2013-2014  
3<sup>rd</sup> Round  
Pre-Proposal  
Application Manual**

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# Clean Tennessee Energy Grant Program

## 2013 Pre-Proposal Grant Cycle (3<sup>rd</sup> Round)

### Overview

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#### BACKGROUND:

In 2011, Tennessee and other states were parties to a federal court settlement of an enforcement action under the federal Clean Air Act that resulted in a consent decree with the Tennessee Valley Authority (TVA). A part of the Consent Decree obligates TVA to provide Tennessee \$26.4 million to fund environmental mitigation projects in participating states. The funds are to be paid over 5 years or longer, with the first-year payment not to exceed \$5.28 million. The Department of Environment and Conservation (TDEC) is designated by the Governor as the lead state agency to develop and manage a process for selection and implementation of the environmental mitigation projects for Tennessee.

The Department intends but is not required to select projects from the applications received.

#### PURPOSE OF THE CLEAN TENNESSEE ENERGY GRANT PROGRAM:

The purpose of the **Clean Tennessee Energy Grant Program** is to select and fund projects that best result in a reduction of emissions and pollutants identified below. The Clean Tennessee Energy Program provides financial assistance to municipal government, county government, utility districts, and other entities created by statute (e.g. airport authority) in Tennessee to purchase, install, and construct energy projects that fit into one of the following eligible project categories:

1. **Cleaner Alternative Energy:** biomass, geothermal, solar, wind
2. **Energy Conservation:** Lighting, HVAC improvements, improved fuel efficiency, insulation, idling minimization
3. **Air Quality Improvement:** GHG, SO<sub>2</sub>, VOC's, NO<sub>x</sub>, HAP's

Note: Multiple projects spanning more than one category are encouraged.

### Deadline to Submit

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#### GRANT APPLICATION TIMING AND DELIVERY:

Pre-proposals must be physically received in hard copy by submitting an original of the proposal materials (by mail, express delivery service, or hand delivery). The original, signed package must be physically in the building or hand delivered by close of business by 04:30 pm, CST **January 31, 2014**. Upon receipt and evaluation of the pre-proposal, the department will invite successful applicants to submit a full proposal (guidelines on page 8). Pre-proposal applicants will be notified by **February 14, 2014** as to the status of their submission in time for full proposals (**by invitation only**) to be submitted on or before **February 28, 2014**. Awards for this grant cycle are scheduled to be announced by late Spring 2014.

**Electronic or facsimile applications will not be accepted.** The application package must comprise an **original copy** of the complete application.



**GRANT TIMELINE:**

The anticipated timeline for this grant round is as follows:

<b>November 1, 2013:</b>	Request for Pre-Proposals Released
<b>January 31, 2014:</b>	Pre-Proposal submission deadline
<b>February 14, 2014:</b>	Full proposals (by invitation only) contacted for additional items
<b>February 28, 2014:</b>	Full proposal supplemental information submission deadline
<b>Late Spring:</b>	Announcement of Round 3 FY 2013-2014

## ***Eligibility***

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Tennessee sites only. Municipal government, County government, utility districts and other entities created by statute (e.g. airport authority) are eligible to apply for grant funding from the Clean Tennessee Energy Grant Program.

**PROJECTS NOT ELIGIBLE:**

- Energy Audits (but may be used as match)
  - Any project that has already commenced (i.e. began work, broke ground, etc.)
  - Auxiliary Power Units (APU's) and Automated Meter Reading
  - Outdoor lighting and traffic lights
  - CNG, LNG, and propane are not acceptable projects and will not be funded.
- \* By signing the Application, the Applicant certifies that he/she along with any other officers, directors, owners, partners, employees, or agents is (are) not presently debarred, suspended, proposed for debarment, or declared ineligible for an award by any State or Federal agency. This is in accordance with Federal Acquisition regulation 52.209-5.
- \* By signing the Application, the Applicant agrees to comply with the International Energy Conservation Code (2006 edition to present).

## ***Funding***

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**GRANT REQUESTS AND MATCHING THE GRANT:**

The applicant must select a match percentage. The minimum grant request is **\$5,000** and the maximum grant request is **\$250,000**. The applicant must specify the match percentage as one of the following:

- 50% Grant / 50% Match or better
- Higher matches receive greater consideration

Match may be satisfied by in kind contributions. This may include volunteer labor, materials, equipment and other approved by TDEC.

- The Department may terminate and cancel this Grant Program at any time. In such a case, the Department will give the Applicant 30 day's written notice.



- If for any reason the funds from the TVA Consent Decree become unavailable, the Department may cancel the Contract and not be obliged to make any payments under the Contract after the termination date. The department will provide 30 days' notice of any such termination.

## ***Format and Checklist***

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### **1<sup>ST</sup> STEP**

#### **PRE-PROPOSAL CONTENT/REQUIREMENTS:**

Applicants must complete and provide the items listed below in their grant request. Details for completing the items below are provided in this grant manual.

All applicants are required to submit a pre-proposal. As part of your pre-proposal you will be asked to submit the following:

- Clean Tennessee Energy Grant Program Application (2 pages)
- Project Pre-Proposal for the project that describes the full technical and cost detail of the project. The project proposal should be no more than 5 pages, to include all selection criteria (1-9 on page 6 of this document).
- The entire narrative portion of the project proposal shall not exceed 5 single-spaced pages. Pages in excess of the page limit will not be reviewed. The pages must be letter-sized (8 ½ X 11 inches); double sided; recommended font size is no smaller than 10 point with 1-inch margin. **All items submitted should be paper clipped only.**
- The Detailed Budget and Appendices (i.e., budget justification, letters of support, supporting documents) are not included in the page limit. Letters of support must be submitted by the deadline.
- A completed Detailed Budget (Attachment 2). Each item of the budget form is to be addressed; marked with zero if not applicable. Additional budget lines may be added to the form as required to characterize the project.

(Failure to follow the length and formatting guidelines are subject to disqualification.)

### **NOTE**

- Each applicant is responsible for submitting all relevant, factual and correct information with the application. This will enable the evaluator(s) the best review of the project application.
- Funding will be awarded to applications selected by the committee according to fund limitations and the merit of the applications. Applications may be partially funded based on an agreed revised scope and budget between the Applicant and the Department.

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### **2<sup>ND</sup> STEP**

#### **FULL PROPOSAL (BY INVITATION ONLY):**

A limited number of pre-proposal applicants will be invited to submit a full proposal to elaborate on their work for a second stage of review. The following information summarizes all of the requirements for this expanded portion:



**1. Estimate of reductions and or air emissions:**

*(All full proposals must have a Tennessee Professional Engineer Stamp)*

*\*You can include your engineer stamp in the pre-proposal if you would like.*

All proposals must provide estimated pollution reductions by responding to the following series of questions within your project proposal:

1. Will this project decrease the amount of electricity (measured in kilowatt hours (kWh) or natural gas (measured in therms) used to perform heating and cooling on an annual basis?
  - a. \*If so, provide an annual estimate of the energy to be saved?
2. Based upon the estimated annual energy to be saved, use the following emissions reduction calculator for your projects:  
<http://www.epa.gov/cleanenergy/energy-and-you/how-clean.html>

If emission's reductions are from mechanisms other than reduction in use of electricity provide calculation to determine emissions reduction. The generic emissions reduction calculator is provided as a default method of calculation. Compare the emissions from the current utility bill for electricity to the projected decreased emissions resulting from the proposed grant project.

The estimate of the reduction in energy consumption from the project **must** be certified by a licensed Tennessee professional engineer. This must be in the form of an official stamp. The calculation does not have to be certified.

**2. Project Schedule for the next 2 years needs to be provided:**

Full proposals will need to provide a project schedule (timeline) for the project.

**NOTE**

If selected by invitation only for the full proposal this does not guarantee that the project will be funded.

## Selection Criteria

PRE-PROPOSAL: Applicants must explain and answer each selection areas:	
1. Energy Efficiency Measurable	a) Savings – both energy & monetary
2. General Public Benefit	a) Immediate Results & Project Readiness b) Long Term Savings – energy & costs
3. Creative / New Technology	a) Unique & Emerging Technology b) Model for Future Projects c) Renewable Resources
4. Qualifications, Experience, Capabilities, and Scheduling	a) Relevant experience with the technology or process; b) Strength of team assembled for project (including commitment of key participants) as evidenced by letters of commitment or support; and c) Schedule, milestones, and deliverables of project
5. Public Awareness/ Exposure	
6. Protection of Environment Resources	a) Utilizing existing resources – Example: landfill conversion to methane use) b) Conservation c) Reduction in Carbon Intensity
7. Air Quality	a) Overall emission reduction b) Non-Attainment Area targeted c) Sensitive populations targeted
8. Ability to leverage(match) funding to enhance overall project objectives	For purposes of evaluating the applications, match may be satisfied by in kind contributions. This may include volunteer labor, materials, equipment and other approved by TDEC. (Higher matches receive greater consideration)
9. Estimate of reductions and or air emissions	Must provide an estimated amount for the pollution projected or expected to be reduced by responding to the following series of questions within your project proposal: <ul style="list-style-type: none"> <li>• Will this project decrease the amount of electricity (measured in kilowatt hours (kWh) or natural gas (measured in therms) used to perform heating and cooling on an annual basis?</li> <li>• *If so, provide an annual estimate of the energy to be saved? Use the following emissions reduction calculator at for all projects: <a href="http://www.epa.gov/cleanenergy/energy-and-you/how-clean.html">http://www.epa.gov/cleanenergy/energy-and-you/how-clean.html</a></li> </ul> <p>If emission's reductions are from mechanisms other than reduction in use of electricity provide calculation to determine emissions reduction. The generic emissions reduction calculator is provided as a default method of calculation. Compare the emissions from the current utility bill for electricity to the projected decreased emissions resulting from the proposed grant project.</p>

- ❖ Payback schedule shall be included. (This is in addition to the 5 page limit)
- ❖ Preference to be given to projects that use Tennessee installer and local purchase of equipment.

# Budget

GRANT BUDGET				
Additional Identification Information As Necessary				
The grant budget line-item amounts below shall be applicable only to expense incurred during the following				
Applicable Period:		BEGIN: DATE	END: DATE	
POLICY 03 Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY <sup>1</sup>	GRANT CONTRACT	GRANTEE MATCH	TOTAL PROJECT
1. 2	Salaries, Benefits & Taxes	0.00	0.00	0.00
4. 15	Professional Fee, Grant & Award <sup>2</sup>	0.00	0.00	0.00
5. 6. 7. 8. 9. 10	Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications	0.00	0.00	0.00
11. 12	Travel, Conferences & Meetings	0.00	0.00	0.00
13	Interest <sup>2</sup>	0.00	0.00	0.00
14	Insurance	0.00	0.00	0.00
16	Specific Assistance To Individuals	0.00	0.00	0.00
17	Depreciation <sup>2</sup>	0.00	0.00	0.00
18	Other Non-Personnel <sup>2</sup>	0.00	0.00	0.00
20	Capital Purchase <sup>2</sup>	0.00	0.00	0.00
22	Indirect Cost	0.00	0.00	0.00
24	In-Kind Expense	0.00	0.00	0.00
n/a	Grantee Match Requirement (for any amount of the required Grantee Match that is <u>not</u> specifically delineated by budget line-items above)	0.00	0.00	0.00
25	GRAND TOTAL	0.00	0.00	0.00

<sup>1</sup> Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A.* (posted on the Internet at: <http://www.state.tn.us/finance/act/documents/policy3.pdf> ).

<sup>2</sup> Applicable detail follows this page if line-item is funded.

<sup>3</sup> A Grantee Match Requirement is detailed by this Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the "Grant Contract" column above, shall be reduced by the amount of any Grantee failure to meet the Match Requirement.

<http://state.tn.us/finance/act/documents/policy3.pdf>

## BUDGET JUSTIFICATION

In addition to completing the budget template provided, a budget justification shall be included. Details and justifications of budget line items with estimated costs shall be provided for each category completed in the budget. The budget justification shall not exceed two (2) pages; this is in addition to the five (5) page limit for the project proposal.

## Contact

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### RESTRICTIONS ON COMMUNICATION WITH DEPARTMENT STAFF

Oral questions will not be accepted at any time. The Department will respond to salient questions in writing with a Questions and Answers compilation and post that document to the department's website: [http://www.tn.gov/environment/grants\\_energy.shtml](http://www.tn.gov/environment/grants_energy.shtml) bi-weekly.

The person named below shall be the sole point of contact throughout the application and award process. All communications (regular mail, express mail, electronic mail, or fax), concerning this application and award process must be addressed to:

Tennessee Department of Environment and Conservation  
The Office of Sustainable Practices – Clean Tennessee Energy Grant  
William R. Snodgrass Tennessee Tower  
312 Rosa L. Parks, 2<sup>nd</sup> Floor  
Nashville, TN 37243  
[www.tn.gov/environment/grants\\_energy.shtml](http://www.tn.gov/environment/grants_energy.shtml)  
[Green.Initiatives@tn.gov](mailto:Green.Initiatives@tn.gov)

From the issue date of the announcement for this 2013-2014 round of this Grant Program until the date of Applicants being selected announced to receive a reward, applicants should communicate to the Department only through the Contact identified in this manual regarding a specific grant request as a pre-proposal or proposal. Limiting communication is essential in order to create fairness and impartiality in the process of reviewing the pre-proposals and full proposals in this Grants program. Communication with other staff of the Department could be perceived as an effort to use special access to exert unfair influence in this discretionary grant award process. While the Department generally encourages open communications, the Department expects to administer this process fairly and reserves the right to reject an application for improper communication in violation of this provision; the Department may reject the application of the Applicant.

# Frequently Asked Question's

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## 1. *Reimbursement of Project Expenses*

Payment of project expenses takes place on a reimbursement basis. The Grantee must make payments for work actually completed or document in kind contribution, and then submit required invoice documentation to the TDEC for payment. **TDEC will not pay project expenses for work that is performed prior to the date the grant term starts on the executed contract.** Grantees **must not** begin work before receiving notification that the State has approved the grant contract.

Reimbursements invoices are to be submitted no more often than quarterly (except for the final reimbursement). Payments will be made electronically through the Automated Clearing House (ACH). Grantees will be required to provide account information in order to receive a grant reimbursement.

## 2. *Can I use part of the funds for design expenses and grant administration?*

Grant funds may be used for architecture and engineering services, but this is limited to 15% of the total project budget. Grant administration expenses will not be reimbursed.

## 3. *When can projects begin?*

Projects may begin after the Grantee is notified by State that the grant has been fully approved. Any work performed prior to the begin date of the approved contract will not be reimbursed.

## 4. *How long will I have to complete the project?*

Grantee will have two years from the effective date of the project contract to complete the project. There will be no term extensions regardless of justification. Projects must be completed by the end date set out in the executed contract. Work performed after the executed contract date will not be reimbursable.

## 5. *What are the Grantee's post completion responsibilities to the proposed project?*

Grantees are responsible for the continued operations and maintenance of the project. Grantee's must submit an annual report of energy conservation for five years following the project completion. The annual report template will be provided upon grant award.

## 6. *Does Davis Bacon Wages apply?*

The funding is not federal money so Davis Bacon does not apply. However, the state's prevailing wage act does apply.

Prevailing Wage Rates: All grants and contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State

require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401 *et seq.*

**7. Are natural gas projects an applicable project?**

CNG, LNG, traffic lights and outdoor/street lighting and propane are not acceptable projects and will not be funded.

**8. Do we need to have an engineer stamp on our pre-proposal?**

Engineer stamps are not needed for the pre-proposal, however if selected for possible funding on the second review the applicant will need to have the estimates of reduction in energy consumption certified by a licensed Tennessee professional engineer. This must be in the form of an official stamp.

**9. Are refuse truck projects eligible for this grant?**

Yes

**10. If the building is in its design phase is the project eligible to apply?**

Yes – if project has not started. If project has begun no.

**11. Can multiple projects go on the same application?**

No. (Limit only one application per entity, per location)

**12. Can it be used for the purchase of electric/hybrid vehicles?**

Yes

**13. Can applicants that have received funding in round one apply this year?**

If an applicant has an open contract with the state from a previous grant round they can't apply this round. If the applicant is physically complete for more than 30 days and has been approved as complete by the department then the applicant can apply this round.

**14. Can we submit supplemental documents?**

Supplemental documents can be submitted with application. They must not exceed 5 pages. Letters of recommendation can also be submitted but counts as part of the 5 page limit and must be submitted by the deadline date.

**15. Not funding non-profit/for profit**

This grants program is now being limited to applicants that are either governmental or quasi-governmental entities. Because the Tennessee Valley Authority distributes electricity at the wholesale level that is purchased within the State of Tennessee for retail electricity customers, citizens of Tennessee and its local governments are ultimately paying the costs of the TVA settlement. Almost all Tennesseans receive electricity through TVA. Since Tennessee citizens



across the State are ultimately paying the costs of the settlement, the distribution of grant funds to the broadest possible base of citizens is desirable in order to ensure the benefits of these mitigation projects are enjoyed by citizens who are ultimately providing the funds through their electric rates. Hence, by making these grants available to governmental and quasi-governmental entities that serve and represent our local citizens, there is an increased likelihood that distribution of the benefits of the grants will provide benefits to a greater number of citizens than if distributed to private entities whether non-profit or “for profit”. All citizens can enjoy improved air quality, but projects for more efficient energy usage for a local government building, as an example, would also reduce costs of operation of the local government and minimize tax burden on the local citizens.

**16. Definition of other entities created by statute (e.g. airport authority)**

This program is now open to different levels of government and to what some term “quasi-governmental” entities”. These entities are not part of a government such as an agency or department. However, these entities bear some relationship to government and may also have characteristics of a private corporation. For example, a utility district is created by authority of a set of statutes beginning at Tenn. Code Ann. § 7-82-101. A utility district may operate a water or sewer system in a local area. There are numerous examples of other types of entities created by statute and related to local government yet that also have characteristics of private corporations. One such example is a metropolitan airport authority authorized by Tenn. Code Ann. § 42-4-101.

**17. Where can I find grant documents and files?**

The Application, grant manual, Detailed Budget form, and Questions and Answer compilation are posted to the department’s website: [http://www.tn.gov/environment/grants\\_energy.shtml](http://www.tn.gov/environment/grants_energy.shtml)

**18. What is new for the 3<sup>rd</sup> round FY 2013-2014?**

By signing the application, all applicants agree to the following:

- **Comply with the International Energy Conservation Code (2006 edition to present).**  
This code is founded on principles intended to establish provisions consistent with the scope of an energy conservation code that adequately conserves energy; provisions that do not unnecessarily increase construction costs; provisions that do not restrict the use of new materials, products or methods of construction; and provisions that do not give preferential treatment to particular types of classes of materials, products or methods of construction.